https://www.financial-planning.com/list/ask-an-advisor-how-to-coordinate-with-outside-professionals

Ask an Advisor: How to coordinate with outside professionals
By Rob Burgess
September 3, 2024 5:56 PM

Welcome back to "Ask an Advisor," the advice column where real financial professionals answer questions from real people. The topic can be anything in the world of finance, from retirement to taxes to wealth management — or even advice on advising.

Financial advisors are a crucial point of contact for the clients they work with, but they can't handle every situation in their lives. Experts are available in the form of outside professionals.

However, how and when to involve them can be tricky for even the most careful financial advisor. Sometimes a client who already has several trusted points of contact will enter into a relationship with a financial advisor. But, that isn't always the case.

If a financial advisor recommends someone else to handle a specific situation and the client isn't satisfied, that can reflect poorly back on them. On the other hand, financial advisors who try to do it all themselves aren't necessarily capable of giving the best possible advice to their clients. They could be missing certain benefits that might be obvious to someone steeped in that area of expertise. This is especially true when it comes to complicated disciplines like elder law or health care.

So this week, our question for advisors is centered around how financial advisors engage with those outside their profession to bring the best guidance to their clients.

Dear advisors,

How do financial advisors coordinate with other professionals, like elder law attorneys or aging life care managers, to support your clients?

Sincerely,

Tom West
Senior Partner
Signature Estate & Investment Advisors
Los Angeles

In response, several advisors answered the call with their strategies for those interested in extending a hand to professionals in other realms. Their answers ran the gamut, but most agreed that active collaboration is key to ensuring

clients are receiving the best possible service from their financial advisor relationship. Financial advisors who work in a closed-off environment simply aren't capable of knowing or doing it all.

Among the suggestions were to ask new clients to rate how well they work with the other professionals who may already be on their roster, review holistic plans with both clients and service providers and reach out to legal experts to handle the finer points of estate planning.

Here are some of the responses we received, edited lightly for clarity and length:

-

Have the client rate other professionals first
Ron Palastro, founder and CEO at Cobblestone Wealth Advisors in Brooklyn, New York

The best way is, upon the initial engagement, to obtain a list of other professionals and then ask the new client to rate them on a scale of 1 to 5. This helps me to understand if it is someone I should communicate with so we can work as a team instead of working in silos.

-

Make sure everyone is involved
Chris Boyd-Witherspoon, financial services professional at American Heritage Financial in Atlanta

As a holistic financial strategist, coordinating every aspect of my client's financial lives is central to what I do. Through my personal experience with my aging parents, particularly in ensuring my 83-year-old father was well taken care of, I've developed a detailed process that I apply to my clients' situations. This process begins with documenting all the key elements of their primary care plan, including their physicians, estate executors, Veterans Administration benefits, CPA, tax or law attorneys and aging life care managers. I make sure that everyone involved, whether they are professionals or family members, understands their roles. Once the plan is in place, I meet with all the support parties to review it together. This collaborative approach ensures that everyone is on the same page and that every aspect of the client's care is covered. My goal is to provide my clients with the confidence that all the bases are covered, just as I did for my father.

-

Ensure valuable collaboration
John R. Power, a CFP with Power Plans in Walpole, Massachusetts

I most often interact with estate planning attorneys; sometimes elder law-

oriented. Since I do comprehensive planning, I work with clients to help them identify goals for transition, including legacy planning and tax planning. I prepare a net worth statement that identifies assets and ownership. With the client's permission, I share that with the attorney along with what has been discussed for estate planning. The attorney then develops the plan based on their ideas to supplement and once the client approves, usually after a discussion with me, the documents and other transactions are attended to. It saves the client time and money, makes it easier for the attorney and assures a valuable collaboration.

-

Spend the time to cultivate and maintain these relationships
Patrick Dougherty, principal at WPWealth in Plano, Texas

Developing and maintaining relationships with allied professionals is one of the most important things I do for my clients. I keep a list of names and contact information grouped in each area of specialization needed by planners and clients. For instance, under attorneys I have them listed in specializations such as estate planning, elder law, business entity and formation, contracts and security industry.

I spend the necessary time cultivating and maintaining these relationships. In addition to being a member of FPA, you can belong to other organizations, including Dallas Estate Planning Counsel, NAPFA, Leadership Dallas, FBI Citizens Academy and study groups.

Possibly another topic but related to this, I have an advisory board consisting of eight disciplines, including attorney, accountant, small business owner, performance consultant, sales manager, president of trust and foundation and also a competing financial planner.

-

Maximize tax returns with outside help
John Blair, president and founder of Blair Capital Management in Norwalk, Connecticut

I always offer to speak to a client's tax and legal advisors so I can maximize after-tax returns. Some clients are very tax-sensitive, and some have no sensitivity at all, so it is important to ascertain each client's tax concerns.

Regarding interacting with a client's health care providers, this can be a very sensitive issue so much care needs to be taken. Here the tax implications are often serious and legal and tax expertise should be brought in for consultation. Often heirs have different viewpoints and goals so much care needs to be taken to fulfill the client's wishes, as best as can be determined.

I advise clients and heirs to defer to legal and tax consultants as perhaps wills and trusts become issues that are of greater importance than stock and bond holdings. Generally, I think the less portfolio activity in these situations, the better, unless there is a very compelling reason to liquidate a holding.

-

A lack of coordination is a disservice
Paul Morrone, wealth manager at Nexa Financial Group in North Haven, Connecticut

An advisor has a unique position in a client's financial life and they are often one of the first non-family members to be consulted about material changes as, or before, they occur. This gives the advisor the ability to proactively address these challenges and opportunities in real time, to provide the client with a better outcome. This could mean identifying opportunities for a Roth conversion in years when income is down in consultation with a CPA, discussing updates to an estate plan due to a change in the client's goals with the client's attorney, or recommending updates to the client's life insurance coverage after the birth of a child with the assistance of an insurance agent. Simply put, if an advisor is not coordinating with the other professionals that a client relies on, they are doing them a disservice.

-

Do what it takes to make sure client's needs are met
Amanda M. Howerton, senior advisor at Rather & Kittrell Capital Management in Knoxville, Tennessee

At our firm, we like to offer joint meetings with attorneys, CPAs or other professionals when appropriate. If there is already an established relationship, we do not want to disrupt trusted relationships. We like to come alongside and coordinate any plan implementations, be it with group meetings or email communications. If there is no established relationship, where one is needed, we use our network of trusted local professionals to help meet client needs. This often involved providing two, or more, names for a professional and then circling back with the client after they have selected someone. Then we get to work on asking for written permission to communicate with the professional. From here we make sure clients' needs are met.

-

Use different professionals for different aspects
Jamie Bosse, senior advisor at CGN Advisors in Manhattan, Kansas

I work with clients in their 30s, 40s and 50s, and the other professionals I typically bring in or coordinate with are attorneys, accountants and insurance brokers.

During the financial planning process, we review their estate plan, if they have one, and help them get one in place if they don't. This is where working with an attorney comes in.

Tax planning is a big part of a family's financial picture, so we often coordinate with an accountant if they have one. Most of the time, the accountants are doing the "reactive" work and we are doing the more proactive work on the planning side.

When working with new clients, we review the risk management side of the picture. Sometimes that involves getting additional life insurance coverage or looking into other coverages like disability, long-term care or shopping property and casualty coverage. I am a fee-only financial planner, so I need to bring in insurance professionals to get the policies in place.

-

Coordination and collaboration are paramount
Jarrod Sandra, owner and financial planner at Chisholm Wealth Management in Crowley, Texas

I partner with attorneys, CPAs and insurance professionals with all of my clients upfront and then ongoing. After reviewing the client's entire financial picture, I then begin to plan out starting points for us to work through various areas. I can usually get us jump-started very well when engaging with other professionals with a list of initial thoughts and then asking the professional for their opinions on it and anything else they see. I like to have a meeting with my clients and the other professionals during the engagement, and annually with the CPA, to make sure we are all on the same page, ask questions that the client may not be thinking or help clarify what the other professional is saying or recommending. Coordination and collaboration are paramount with other professionals when working through a comprehensive plan. Otherwise, it just takes one of the other parties to derail.